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ways served as a tool; their leaders, most often of non-peasant origin have used them for their own ends. The power of the peasants lies in their number; it is a power only when a man like Lenin comes along and throws the weight of their numbers into the scale of events. Obviously, peasants can cause trouble in such moments of upheaval as wars. As long as a private peasant economy exists it acts as a natural base for partisan operations. A peasant hut is the ideal place for partisans to eat, sleep, and work out plans of action. Therefore, a collective farm, where a man's every step is easy to trace, guarantees a degree of control that is indispensable if one wants to preclude hostile underground activity.

Workers are far more important than peasants. Most of them are antagonistic to the new system. That is understandable. They resent the norms they must fill. Those norms are constantly rising. Though the "solidarity of the workers" makes a fine slogan, it does not mean that the solidarity of the crews in a factory is to be tolerated. Their ranks are split by the institution of "shock-workers" which is fostered by an appeal to ambition and enforced by pressure from members of the Party cell. A man may at first refuse to become a shock-worker. But gradually he learns it does not pay to be stubborn; because when workers are being chosen for a course in bookkeeping, for instance, his application is rejected, or when his turn comes for a free vacation he is declared ineligible, etc.

The attitude of the workers toward the regime is ambivalent. On the one hand, they prize its positive contributions. Unemployment is a thing of the past; in fact, there is a constant lack of skilled labor. Not only the head of a family but most of its members are employed. This accumulation of wages means that a family would be able to live better than ever before if only the stores were fairly

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well stocked; but given the shortage of food and consumer goods, this is rarely, if ever, the case. For workers' children, social advancement is easy because the Party must recruit the cadres of the new intelligentsia from their ranks. The worker can educate himself by attending countless evening courses. If he stands in good favor with the Party he can enjoy a vacation in a rest home, all expenses paid. On the other hand, he cannot defend himself against exploitation by his employer, the state. His trade union representatives are Party tools. They team together with the factory managers for one purpose: to raise production. Workers are told that a strike is a crime. Against whom are they to strike? Against themselves? After all, the means of production belong to them, the state belongs to them. But such an explanation is not very convincing. The workers, who dare not state aloud what they want, know that the goals of the state are far from identical with their own.

Central and Eastern Europe produce in order to raise the military and economic potential of the Center and to compensate for the industrial backwardness of Russia. Workers and their needs have no influence on production plans. Most of the goods produced ebb away to the East. Besides, every product of a worker's hands is the object of innumerable bookkeeping operations. A whole staff of functionaries sits in every factory, counting, writing reports, compiling statistics; the same thing happens on every rung of the state hierarchy, right through to the state wholesale houses and retail stores. If, at last, the article reaches the consumer, it is very expensive; into its cost are counted the salaries of the swarms of bureaucrats through whose hands it must pass. Factory machines are over-aged; there is a scarcity of essential spare parts. So workers are ordered to replace broken parts by whatever

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	Germans (%)	Czechs and Slovaks (%)
Independent	21.89	25.81
Tenants	0.40	0.28
Officials and clerks ..	16.60	18.24
Workers	61.11	55.67

467 In 1930 there were 476 thousand Sudeten Germans organised in trade unions. The Executive Committee of the Sudeten German Social Democratic Party stated: 'In their worst plight, on the eve of the Munich decision, our Trade Unions could still compare their strength with those of Switzerland, a country with four million inhabitants and with a functioning democracy.' (Introduction to W. Jaksch, *Sudeten Labour and the Sudeten Problem*, London, 1945).

665 The Sudeten Germans had a long socialist tradition, for Sudetenland was one of the first and strongest socialist centres in the Austro-Hungarian empire. It produced a number of the most prominent leaders of the Socialist International, among them Karl Kautsky, Viktor Adler, Otto Bauer and Karl Renner. As early as 1907, in the general elections, the Social Democratic Party polled 39.4 per cent of the votes in German Bohemia. In the general elections of 1911, it polled more than 40 per cent. In the elections of 1920 it polled 44 per cent of the Sudeten votes. Together with the Communist Party,* for more than a decade it had about half the votes in Sudetenland, which is a much higher proportion than the Social Democrats and Communists could claim among the Czechs, let alone among the Slovaks.

563 The world economic crisis which began in 1929 changed the
464 situation. The industry of Sudetenland, depending as it did mainly on exports, was affected much more severely by the crisis than industry in the rest of the country. The bourgeois government of Czechoslovakia discriminated against German workers when giving employment, and this aggravated an already grave situation. The result was that 'unemployment in the Sudeten districts was at least twice as high as in the Czech interior.' (Jaksch, ibid. p. 17).

464 The great suffering caused by unemployment in Sudeten-
668 land and the existence of full employment just over the border

*An exact calculation of the strength of the Communist Party among the Sudetens is impossible, as the Party was not divided into different national groups.

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in Nazi Germany (even though this was the result of war preparation) brought the Sudeten Germans to flock to the banner of Henlein, the leader of the Sudeten Nazis. In the elections of 19th May, 1935, he polled 1,249,530 votes, that is, 62–3 per cent of the total, while the Social Democratic Party polled 299,942 votes (as against 506,761 in 1929), that is, about 15 per cent of the total. The Communist Party vote is estimated at about 120,000, or about 6 per cent of the total (Wiskemann, op. cit. p. 206).

At that time the Communist Party leaders had not yet adopted the idea that the Sudeten Germans were inherent Nazis, and explained the victory of Henlein as the result of the social and national circumstances in which they were placed. *Imprecor* of 1st June, 1935, wrote: 'In a manifesto of the Central Committee the Party states the reasons for the election victory of the Henlein faction. The reason for this victory is the policy of the Czech bourgeoisie which has led to terrible misery and poverty and to the national oppression in the German districts . . . The Henlein fascists can be beaten only by a policy which gives the working masses of the German districts work and bread and liberates them from the yoke of national oppression.'

What was the fate of the Sudeten Germans who opposed Henlein to the end? 400,000 voted against him, and these with their families made up 700–800 thousand people. When the Munich Agreement which gave Sudetenland to Germany was signed, the most active Sudeten anti-Nazis were compelled to flee from Sudetenland to the interior of Czechoslovakia. But more than 20,000 of them were handed over to the Gestapo by the Czechoslovak Government of the time, which collaborated with Hitler, and an additional 10,000 had to return to Nazi-controlled territory because they were refused asylum. Only 4,000 Sudetens were admitted to other countries. Altogether some 40,000 Sudetens were interned in Nazi concentration camps, and about 20,000 died there. This figure bears honourable comparison with the number of victims in other countries which came under the Nazi yoke.

In 1940, Fierlinger, the Social Democratic 'fellow-traveller', who was later to head the Government which expelled the Germans from Czechoslovakia, said: 'Henlein in his struggle

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423 cause the land was becoming exhausted. This was due to a
341 lack of manure and fertilizer and to the peasants' ignorance of land preservation techniques.

● [444] Labor remained so cheap that the introduction of labor-saving devices did not pay. Overpopulation meant that there were more people living on holdings than were needed for the farm work. This situation caused underemployment. Since overpopulation decreased the output per man and with it the earnings per man, a very low standard of living resulted.

423 The size of the farms, which on the average was barely
656 ten acres, was a problem in itself, and the custom of dividing
185 land after the death of a peasant made the situation even more acute. The holdings consisted of many small and scattered strips so that it was impossible for the peasant to use machines, even when they were available. However, the land reforms, carried out after the First World War by the different governments, did have some success in equalizing the amounts of land held by the different peasants.

The land reforms grew out of political and national considerations rather than out of social and economic policy. The first and main objective of the agrarian parties was to expropriate the big landowners and to transfer their land to the peasants. The usual procedure was to fix a maximum acreage, usually about five hundred acres, and to decree that all land in excess of this amount should be sold to peasants, either to create new farms or to add to the area of peasant farms already in existence. Under these reforms, about twenty-five million acres were distributed, for the most part in quite small plots, averaging one hectare, or 2.4 acres. The smaller farms were given more land than the large, so that there was some leveling of the incomes derived from farming.

162 These reforms did not remedy the unhappy condition of
464 the peasantry, since they were unable to remove the main
511 causes for distress. If all the agricultural land of this region

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had been distributed equally among the peasants, the main result would have been the equalization of poverty. It was obvious that redistribution of the national income and wealth could not, by itself, greatly improve the condition of the people. The surplus agricultural population which was estimated, on the basis of the system of cultivation prevailing in that area, to be about fifteen million persons had to be absorbed, and that was an insoluble problem. This problem was heightened by the fact that between 1919 and 1939 the natural increase of population in this area remained almost three times as high as that in the West.

Some alleviation of the situation was sought in the development of industries. However, industrialization was a long-term measure, and the expense only added to the peasants' burden. The fiscal policy of the Eastern European states was to accumulate the national capital necessary for industrialization by taxes, tariffs, and prices. No money, or very little, was left for the peasants.

II

It would be unjust, however, to say that nothing was done to improve the lot of the peasantry. The governments were well aware that the land reforms should be supplemented by economic measures such as agrarian credits, modern cooperatives, development of transport, cheaper farm machinery, technical education and training. A great deal was accomplished by these measures.

The supply of credit was particularly important to the peasants. The need for capital to begin operations and to finance certain family needs, especially the weddings of daughters, made borrowing necessary. As banks would not make advances, money had to come from moneylenders who charged very high rates of interest. Often, the moneylender was the middleman who bought the peasant's produce

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with the Soviet master plans. The captive nations were allowed to preserve the external attributes of sovereignty and their governments were granted an advisory voice in the preparation of these national plans. But the supreme control of the plans remained in the hands of Moscow, and their primary goal was, and is, rapid industrialization.

II

The possibilities of industrialization in Eastern Europe are considerable, but obviously not unlimited. They depend on the availability of manpower and its technical know-how, on industrial raw materials and machinery, on capital needed for investments, and on markets capable of absorbing the products of the new industries.

Before the last war, five million persons were employed in the mining and in the medium and large manufacturing industries of the six major countries of the area. Today this number exceeds nine million. There is a shortage of labor, both skilled and unskilled, in Eastern Germany and in the Czech part of Czechoslovakia. The reserves of manpower—land laborers, dwarf-farm owners, and married women—are limited in Hungary and the Slovak part of Czechoslovakia, large in Poland, and even larger in Rumania and in the three Balkan countries. The areas where labor is short coincide to a large degree with those of low natural increase of population, and vice versa. In the first period of reconstruction after the war, there was in many parts of the area a movement of the population from the villages to the towns in search of urban, not necessarily industrial, employment. For instance, in Poland alone, two and one-half million persons moved into towns during the first seven postwar years. This movement is now over, as well as the postwar enthusiasm for reconstruction, and the governments have to recruit new workers by propaganda and sometimes by half-coercion. Unless

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living conditions improve considerably in the cities, the governments will have difficulty in procuring the hundreds of thousands of new industrial workers they require annually. However, manpower is still one of the principal assets of the captive countries.

The quality of this manpower is, generally speaking, better than is assumed in the West. First, there is a considerable industrial tradition, which goes back to the Middle Ages, in Saxony, Bohemia, and southern Poland. Second, the average intelligence of the people is fairly high; given time and education an average village boy or girl can become a skilled worker and, in many cases, a qualified technician, although of course such students lack the always evident association of American youth with motor vehicles and other machinery.

It might be interesting to quote here a relevant passage from the report of the mission of the U.N. Food and Agricultural Organization, which was composed mostly of American experts, after its return from Poland in 1948:

> It is the opinion of the Mission that if the Polish nation had an opportunity to be educated according to the standards of western Europe and to carry out a peaceful economic development, the world would be amazed by the result. Imperfectly developed resources of intelligence constitute the greatest potential wealth of the Polish people. It is a raw material of far greater value than [Polish] coal . . .[1]

Assuming that this is a sound judgment, there is no reason to doubt that it applies also to the other countries of this region.

The number of graduate engineers, chemists, and scientists in Eastern Europe declined greatly during the last war and during the postwar flight to the West, but is now increasing rapidly. The joint know-how of such technicians should not be underestimated, especially when Russian technical experience is added to it. Technical inventions and improve-

[1] *Report of the FAO Mission for Poland* (Washington, 1948), p. 18.

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433 tential in 1938 was, and still is, insignificant. It is claimed that in 1952 the industrial output of the area rose again by about one fifth.

An estimate of the relative industrial strength of the individual captive countries was made recently in a United Nations publication.[3] If the total industrial output of the area at the end of 1952 is taken as 100, the output of Eastern Germany constitutes 34 per cent of this total, that of Poland 27, of Czechoslovakia 21, of Hungary 9, of Rumania 6, and of Bulgaria 3 per cent. The total industrial output of the entire captive area is equivalent, roughly speaking, to nearly 40 per cent of the total industrial output of the Soviet Union.

185 All this rapid, even violent, industrial expansion cannot 471 be smooth and is, in more ways than one, terribly expensive. 511 There are no miracles in economics, and wealth can be 464 created at different rates of speed, but not at will. The tremendous increase of the state-owned industrial plant in this area is only feasible because the citizens have been deprived of their individual capital, because the consumer demand is being systematically curtailed, and because more and more of the national income, siphoned off by taxation, inflation, and other methods, is being reinvested in industry. This reinvestment is being done at great cost to agriculture. Quantitative industrial progress is also speeded up by the fact that the police state has the means to make everyone work. The prewar urban unemployment and, to some extent, the huge peasant underemployment, caused by the extreme subdivision of rural property, are things of the past. Billions of man-hours which were wasted before the war in enforced idleness are now used for production or, at least, are on tap for production purposes. On the other hand, a large proportion of the men and women kept in concentration and labor camps

[3] *Economic Bulletin for Europe* (Geneva: United Nations, 1952), Vol. V, no. 2 (July, 1953), p. 84, Table 1.

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produce litt'e, if anything, and the vast apparatus of standing armed forces, of police and poli ical supervision, of party machinery and propaganda, does not create wealth but consumes it. The onetime waste of unemployment has been partly supplanted by the waste of the immense state machinery of control and compulsion inherent in all totalitarian systems and particularly odious under Communism.

In addition to this costly political overhead, there are three other burdens to the national economies of these countries. One is the cost of planning both on a national scale and in minute detail, an economically unlikely proposition, resulting in duplication of work, omissions, bottlenecks, and other forms of economic confusion. This has been one of the main reasons why the Yugoslav Five Year Plan has never been fully realized. This type of waste can only be eliminated very gradually, if at all. The second type of waste is directly due to Communism. In the free world, private property is fairly generally respected and cared for by its owners and by the public at large. Public property, being the exception rather than the rule, also enjoys respect and cases of vandalism are few. In Eastern Europe, state property is the rule, and very few people give it proper respect. The Communists are aware of this general neglect and the ensuing injury to the economy but believe that in time society will be taught to take care of what is defined as people's wealth. However, during thirty-five years of Communism in Russia, there has been little progress in this direction. The third burden on the state economy is a specific feature of the countries of Eastern Europe. All of them have to pay heavy tribute to the Russian big brother. Russia exploits the captive nations in many ways: by reparations in kind, mixed companies, trade agreements, high prices for imports from Russia and low prices for exports to Russia, maintenance costs for Soviet troops, high salaries for Russian experts and advisers, and the like. These nations cannot express themselves on this topic, but

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of their businesses for the purpose of retiring from business themselves, rather than for expanding their productive equipment.

While productivity grew slowly, public health measures were effective and birth rates remained high. Throughout most of the region, the population pressed upon the limited supply of land and on the limited productivity of existing agricultural methods. At the same time, the lagging growth of towns and industries did not absorb completely the increases in population. The results were underemployment in the towns and industrial districts, hidden unemployment in the rural areas, and a general cheapness of human labor. While labor was thus abundant, and was often wastefully used, the skills of most workers remained low, and there was little incentive to improve them. Since capital goods and capital were scarce, there were fewer opportunities for engineers and applied scientists. And since universities, public administration, and banking had become modernized, there were ample employment opportunities for civil servants, clerks, lawyers, teachers, and research scientists.

The result was a startling precocity of Eastern European intellectual life. First-rate university training was fairly widely available throughout the region. Food, land, and domestic services were relatively cheap. Civil servants, intellectuals, and members of the professions had high prestige socially, and they found no severe economic difficulty in maintaining their families and sending their children to universities. While the top-level jobs in commerce, civil service, and universities under the Austro-Hungarian monarchy were perhaps somewhat more easily accessible to persons recruited from the German or Jewish minorities, there were some opportunities for careers for men of outstanding talent from all national backgrounds. Czech scientists reminisce today about the remarkable generation of Czech and Slovak intellectuals and scientists who made their careers during the last thirty

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186 be improved by secession. All of them thought that they could
178 improve their position by finding that exact size of political unit in which their own language and their own national culture could be made to predominate and in which their own nationality or ethnic group could be turned into the leading class or social and political elite.

Nationalism in Eastern Europe was thus a reaction to the rapid diffusion of Western claims and to the expectations of security and opportunity throughout a group of societies that were only slowly, if at all, acquiring the productive skill and equipment to satisfy them. National secession, national expansion, and the national state appeared to almost all nationalities in the region as plausible short cuts to the prosperity, power, and prestige they all desired.

178 In the course of events, the experiment was actually made.
433 The Austro-Hungarian monarchy was destroyed and a num-
641 ber of successor states arose from its remains. There is no doubt on the whole that the emergence of these national states represented a significant step forward toward higher levels of popular participation in public affairs, toward political democracy, toward popular education, and even, in some respects, toward greater economic opportunities. But at the same time it seems clear that the change in the size of political units did little or nothing to come to grips with the fundamental causes of the poverty and backwardness of the region, or with the fundamental sources of its peculiar psychological and political frustrations and resentments. National and regional markets and consumer preferences remained as small and as unfavorable to mass production in the new states as they had in the old. Capital remained as scarce and productive investment as uneven and erratic as before.

178 Tools, technologies, and work habits changed slowly if at
[935] all. Poverty persisted. Purchasing power remained low and
● 464 prices high. Production remained scattered over many small and inefficient factories. Innovations were accepted reluc-

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tantly or not at all. Unemployment became worse than it had ever been.

Thus social tensions persisted or grew worse. Sometimes they appeared as growing tensions between left and right, with the political middle-of-the-road parties increasingly threatened by fascists or by communists. Sometimes they appeared as tensions between different nationality groups, such as between Serbians and Croatians or between Czechs and Germans. Often the same angry and frustrated individuals could be found backing communism in one year, extreme nationalism in another, and some more or less supranational fascism in a third. Whole districts voted for right-wing radical candidates in one election and for left-wing radicals in another. Nationalism in Eastern Europe was thus the symptom of a more fundamental maladjustment, even though nationalistic policies, once adopted, often served to make this maladjustment worse. Nationalistic governments, as well as most other governments in this region, were becoming increasingly unpopular and during the 1930's showed increasing reluctance to face their own voters. By 1939, before the first German or Russian soldier stepped on their soil, every country of Eastern Europe, with the exceptions of Finland and Czechoslovakia, had succumbed to some form of dictatorship. Nationalism had thus failed to cure the fundamental maladjustments of Eastern European political and economic life. From some points of view its failure was hardly less shattering than the failure of the supranational empires that had preceded it.

It was nationalism which first undermined and in part destroyed the traditions of property and the respect for property in Eastern Europe. This attack against property began as early as the era of Prince Bismarck in Germany. The so-called Polish legislation sponsored by the German government and by the German nationalists during and after the Bismarck era showed scant respect for the property